

## Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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P 221355Z JAN 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC PRIORITY 9940

C O N F I D E N T I A L JIDDA 0513

EXDIS

E.O.: 11652: GDS

TAGS: EFIN, SA, US

SUBJ: SAG DIFFERENCES WITH US ON GOLD, RECYCLING

REF : A. STATE 12823; B. JIDDA 0328

1. THE SPECIFIC COMMENT ON SAG DIFFERENCES WITH U.S. ON GOLD AND RECYCLING IN REF B WERE OF COURSE RELATED TO EMBASSY BY EXECUTIVE VICE PRESIDENT DEBS AFTER DISCUSSIONS WITH ABD AL AZIZ QURAYSHI (AND PERHAPS INFERRED ALSO BY MINSTATE FINANCE ABA AL KHAYL) SUGGEST DEPARTMENT OR TREASURY DISCUSS THESE POINTS WITH VP DEBS.

2. EMBASSY NOTES THAT SAG OFFICIALS HAVE CONSISTENTLY FELT THAT U.S. PLANS FOR OFFICIAL RECYCLING APPEAR AIMED AT PLACING EXAGGERATED RESPONSIBILITY FOR SOLVING BALANCE OF PAYMENTS DIFFICULTIES OF MSAS ENTIRELY ON OIL PRODUCERS. QURAYSHI HAS SAID THAT THEY ARE BEING PLACED (PAINTED) IN A CORNER BY U.S. PRESSURES TO LOWER OIL PRICES, KEEP PRODUCTION UP OR BE ACCUSED OF STRANGLING THE WEST, AND RESTRICTING INVESTMENTS IN THE MARKET BEST ABLE TO RECYCLE SURPLUSES SPUN ON BEHALF OF THE WEST'S NEED FOR ENERGY. ON GOLD, WE HAVE SO FAR NOT HAD ANY COMMENTS TO EMBASSY REGARDING DEMONETIZATION AND U.S./FRENCH GOLD DETENTE.

3. EMBASSY HAS CONTINUED TO KEEP BOTH MINFINANCE AND SAMA OFFICIALS FULLY INFORMED OF ALL U.S. MOVES AND  
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ARGUMENTATIONS ON RECYCLING VEHICLES AND NECESSITY OF

EXTRACTING FROM SOME STATES NEEDED REFORMS IN ENERGY  
USE BEFORE OFFERING BALANCE OF PAYMENTS HELP.

4. WE WOULD COMMENT THAT EUROPEAN REPRESENTATIVES HAVE  
ARGUED HERE FOR HEALEY PLAN AND AGAINST PURE U.S.  
PROPOSAL.

5. IT WOULD BE OF GREAT INTEREST TO EMBASSY TO HAVE  
EVALUATION OF TWO SAUDI REPRESENTATIVE'S PUBLIC AND  
PRIVATE ACTIONS AND REACTIONS DURING RECENT IMF MEETINGS  
IN WASHINGTON. PLAN TO DISCUSS WHOLE SUBJECT WITH THESE  
REPRESENTATIVES WITHIN NEXT FEW DAYS AFTER THEIR RETURN.  
AKINS

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC COOPERATION, CAPITAL FLOWS, FINANCIAL RESERVES  
**Control Number:** n/a  
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**Draft Date:** 22 JAN 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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